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1 December 1955

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Honorable Gabriel Hauge
Administrative Assistant to the President
The White House
Washington, D. C.

Dear Gabe:

Many thanks for sending me a copy of your
most interesting address before the Investment
Bankers Association. I read it with great
interest.

Faithfully,

Allen W. Dulles
Director

AWD/c
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Orig--addressee
1 cc--DCI
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1 cc--Reading

White House

FOR RELEASE AT 12:00 NOON, E.S.T., MONDAY, NOVEMBER 28, 1955

James C. Hagerty, Press Secretary to the President

THE WHITE HOUSE

EXCERPT FROM ADDRESS OF THE
HONORABLE GABRIEL HAUGE,
ADMINISTRATIVE ASSISTANT TO THE
PRESIDENT OF THE UNITED STATES,
BEFORE THE 1955 ANNUAL CONVEN-
TION OF THE INVESTMENT BANKERS
ASSOCIATION, HOLLYWOOD, FLORIDA
12:00 NOON, E. S. T., NOVEMBER 28, 1955

During the war Dwight Eisenhower was known as The G.I.'s General. After three years as the nation's Chief Executive he can fairly be called The People's President.

The affection and regard in which he was held by wartime G.I.'s and in which he is held today by his fellow-citizens reflect the President's own deep and wide-ranging concern for them and their families. His oft-declared guide to policy making as President is the simple question: What is best for 166 million Americans? The general welfare comes first. The general interest is paramount. Special interests and special pleading have found no welcome.

This plain truth dooms to failure the concerted effort now being made by some to stigmatize the President's labors in behalf of peace and prosperity and justice for all the American people, as a conspiracy to serve unnamed "special interests." I, for one, am fully prepared to leave the job of dealing with that sort of buncombe to the intelligence of the straight-thinking families of America.

Consider, for example, the economic record of the Eisenhower Administration in the nation's service -- in discharging its responsibilities under the Constitution to "promote the general welfare."

1. More Americans are at work today, producing more, earning more, spending more, investing more and building more than ever before in our history. General welfare or special interests?

2. Under the Eisenhower Administration working men and women are enjoying the unprecedented combination of higher wages, lower taxes and a stable cost of living -- all at the same time. General welfare or special interests?

3. Under the Eisenhower Administration the millions upon millions of Americans who have savings bank accounts, savings bonds, building and loan shares, life insurance policies and pension rights are no longer seeing the value of their savings shrivelled by inflation. General welfare or special interests?

4. Under the Eisenhower Administration the existing shackles of direct controls on wages and prices were promptly thrown off in order to release the energies of American workers and businessmen so that they might achieve their best record of production and earnings. General welfare or special interests?

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5. Under the Eisenhower Administration the Employment Act of 1946 has been a cardinal guide to policy making, with special emphasis upon the injunction in the Act to promote maximum employment, production and purchasing power ". . . in a manner calculated to foster and promote free competitive enterprise . . . ". General welfare or special interests?

6. Under the Eisenhower Administration the American people have seen a restoration of fiscal integrity which this year promises a balanced federal budget and a present end to the increase in the public debt. General welfare or special interests?

7. Under the Eisenhower Administration the largest tax reduction in our history was enacted and of its \$7.4 billion in benefits nearly two out of every three dollars went directly to individuals. General welfare or special interests?

8. Under the Eisenhower Administration Congress completed in 1954 a monumental revision of our federal tax laws. The new statute permits a forward step toward the Administration's goal of increasing many fold the number of Americans owning shares in our growing business enterprises by reducing the discriminatory double taxation of dividend income. The new law also removes a major obstacle to further modernization of our industrial plant and to the creation of more and better jobs by permitting more realistic depreciation accounting for tax purposes. Among other desirable reforms, the new law provides for increased deductions for medical expenses, special tax relief for working mothers, a materially improved tax status for retired people, and a more favorable tax treatment of farm expenses for soil conservation purposes. General welfare or special interests?

9. Under the Eisenhower Administration scandal and corruption in the Bureau of Internal Revenue have been put to an end and integrity has again been restored to the collection of federal taxes. General welfare or special interests?

10. Under the Eisenhower Administration the Department of Health, Education and Welfare was established to give these vital concerns of our people permanent representation in the President's cabinet. General welfare or special interests?

11. Under the Eisenhower Administration 10 million additional Americans, including farmers and farm workers, have been brought into the social security program and retirement benefits for all have been increased. General welfare or special interests?

12. Under the Eisenhower Administration unemployment insurance coverage has been extended to 4 million additional workers and, as a result of the President's initiative, thirty-four states have already increased maximum weekly benefits. General welfare or special interests?

13. Under the Eisenhower Administration the minimum wage was increased. General welfare or special interests?

14. Under the Eisenhower Administration Government has maintained a high standard of fair play and honest impartiality in labor disputes, a fact that has helped to make the last three years one of the most remarkable periods of labor peace in our history. General welfare or special interests?

15. Under the Eisenhower Administration a broad program is for the first time being formulated to help any American community blighted by chronic unemployment to help itself attain a better share of the nation's good times. General welfare or special interests?

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16. Under the Eisenhower Administration forward-looking programs have been presented to Congress, and will be presented again, to help meet such pressing problems as the shortage of classrooms and the high cost of medical care. General welfare or special interests?

17. Under the Eisenhower Administration the inherited farm program, on the verge of total collapse from the weight of over \$7 billion of unmarketable surpluses which it helped generate, is being vigorously and conscientiously rebuilt. We cannot rely on the human catastrophe of war or the natural catastrophe of drought to bail out the nation's farm program. Moving from a war-expanded footing to a more nearly peacetime basis has made some painful readjustments in agriculture unavoidable. The transition will be speeded by full operation of the Agricultural Act of 1954, by the surplus disposal legislation passed by Congress, and by new measures to be proposed in a special Presidential message early in January. The Administration will unrelentingly pursue this task until production is again brought into line with markets at prices that will reward the farmer fairly for his work. General welfare or special interests?

18. Under the Eisenhower Administration a fifteen-point Rural Development program has been launched to attack on an organized basis for the first time the problem of helping our 1 1/2 million farm families with incomes of less than \$1,000 a year to better their position. General welfare or special interests?

19. Under the Eisenhower Administration the first peacetime independent government agency was created by Congress for the sole purpose of advising, assisting and protecting small business enterprises. General welfare or special interests?

20. Under the Eisenhower Administration the Government in 1953 sold the Inland Waterways Corporation. It thereby ended its competition with American citizens in this respect, made specific provision for continued service to them, and, in the process, obtained a sale price big enough to recover the previous fourteen years of operating losses that had been made up out of federal tax money. Similarly, under special legislation enacted by the Congress in 1953, the Administration has sold 25 Government-owned synthetic rubber plants for \$272 million, showing a profit to the Treasury over the depreciated book value of the plants of \$158 million. General welfare or special interests?

21. Under the Eisenhower Administration a plan has been advanced to equip this nation for the first time with a first rate interstate highway system adequate to meet the needs of our millions of car owners as well as the pressing requirements of defense and economic development. General welfare or special interests?

22. Under the Eisenhower Administration local groups -- public and private -- have been encouraged to help supply the nation's electric power needs which will at least double in the next decade. In addition to being right in principle, this partnership approach is common sense because the record shows that there simply are not enough federal tax dollars forthcoming to finance regional federal power monopolies and at the same time provide for all the pressing national needs which can be paid for only out of the federal treasury.

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It makes sense, for example, that the citizens of Memphis do what they now find they can do -- finance construction of a new steam power plant of their own rather than have the TVA build a plant with money raised from federal taxpayers all across the land. It makes sense, too, for an investor-owned, tax-paying public utility company, on the basis of a unanimous decision of the Federal Power Commission, to build three dams on the Snake River in Idaho to develop eventually more power than would be forthcoming from a single high dam at Hell's Canyon which Congress has twice refused to authorize and which would cost the nation's taxpayers at least \$400 million. The Eisenhower partnership policy thus means more power sooner, financed increasingly through local public or private borrowing of the people's savings rather than out of federal taxes. General welfare or special interests?

23. Under the Eisenhower Administration the genius and drive of private enterprise have been brought in directly to hasten the development of the peaceful uses of atomic energy in order more swiftly and surely to make the atom a force for good for all the people. General welfare or special interests?

24. Under the Eisenhower Administration Congress passed the Submerged Lands Act which, when upheld by the United States Supreme Court, resolved at last the "tidelands" issue. The result has been the extension of America's oil frontier to the Continental Shelf, the creation of thousands of jobs, and the generation of a rich flow of revenue to both federal and state treasuries. General welfare or special interests?

25. Under the Eisenhower Administration enforcement of the anti-trust laws is today both vigorous and fair-minded. In the year ended September 30th last, the Justice Department started 52 anti-trust actions, nearly half again as many as were started in the last comparable period before the President took office. General welfare or special interests?

This highlighting of its economic record shows that the Eisenhower Administration is unswervingly dedicated to serving the general welfare. It is giving the American people government with both a heart and a head. It is an Administration whose leader's iron refusal to play politics with the people's prosperity has truly brought to our land a New Era of Good Feeling.

President Eisenhower has denounced no group in our society as greedy, as sinister or as a "special interest" bent solely on its own ends at the expense of others. Nor has he favored any group. He has constantly urged the cooperation of all to the end of national well being. The economic consequences of creating this new national atmosphere have been enormous for good for all our people. The high standard of conduct which the President has set is a marker against which to measure discussion of public issues. We would all do well to follow his example.

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